

COUNTY OF KAUAI
Minutes of Meeting
OPEN SESSION

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| Board/Committee: | | Cost Control Commission | | Meeting Date | March 13, 2017 |
| Location | Mo`ikeha Building – Meeting Room 2A/B | | | Start of Meeting: 1:31 p.m. | End of Meeting: 2:49 p.m. |
| Present | Chair James Whitfield; Vice-Chair Tyler Rodighiero; Members: Preston Chong and Joanne Nakashima Also present: Board & Commissions Office Staff: Support Clerk Mercedes Omo; Administrator Jay Furfaro; Office of the County Attorney: Deputy County Attorney Bentley Adams. | | | | |
| Excused | Commissioners Jan Hashizume and Laurie Yoshida | | | | |
| Absent | Commissioner Tricia Lynn Yamashita | | | | |
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| SUBJECT | | DISCUSSION | | | ACTION |
| Call To Order | | Prior to the meeting being called to order, Administrative Assistant to the County Clerk Eddie Topenio gave the Oath of Office to new Commissioner Preston Chong, 1 st term ending on 12/31/2019. | | | At 1:31 p.m. Chair Whitfield called the meeting to order with four (4) members present constituting a quorum. He welcomed new Commissioner Preston Chong to the Commission. |
| Approval of Minutes | | Regular Open Session Minutes of January 9, 2017. | | | Ms. Nakashima moved to approve the meeting minutes of 1/9/2017 as circulated. Vice Chair Rodighiero seconded the motion. The motion carried 4:0. |
| Business CCC 2017-06 | | Briefing by Acting County Engineer Lyle Tabata and Chief of the Roads Division Edmond Renaud on cost related to the County’s scheduled road resurfacing program and the amount of resurfacing projected to be done on the County’s roads. Mr. Tabata stated that in addition to his Powerpoint Presentation, he’s also here to answer any questions the Commissioners may have on the County’s road resurfacing projects, the scheduling, the | | | |

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| | <p>cost of doing the annual road resurfacing projects and how much work have been accomplished so far.</p> <p>Mr. Tabata stated that in 2010, he and former Director of Public Works Mr. Dill were tasked to oversee the Public Works Roads Division and since then how the roadwork is chosen and the amount of money budgeted have changed. He stated there is \$100 million dollars of road work that still need to be dealt with. And the funding to do the work comes from the County's Highway Fund and consists of vehicle registration, fuel tax, vehicle weight tax and utility franchise tax which is paid by KIUC and Hawaiian Telecom for the use of County's roads to install power poles and telephone poles. The money collected also funds the County's three (3) base yard operations, levee maintenance, and bridge and road maintenance construction which covers 100% of all County roads and 160 miles of collector roads.</p> <p>He stated in order to fund those projects, the County had to leverage 20% percent of the County's Highway Fund and 80% of Federal Highway Funds which helped to stretch its dollars. However, in order to get on the program and be eligible for federal funding, the roads division had to comply with the federal standards which requires what they refer to as a PSE process that calls for a set of detailed plan drawings, specs and estimate, public feedback and whole of testing and oversight by the federal highways for them to complete the work. .</p> <p>Mr. Tabata stated that out of the three (3) major bridges that are being worked or scheduled to be worked on, work on the Kapahi Bridge should be completed by the end of April, work on the Opaekaa Bridge is schedule to begin at the end of the current calendar, and work on the Puuopae Bridge should start in two (2) years. He noted that all three (3) bridges have cleared the environmental assessment requirements.</p> <p>Vice Chair Rodighiero asked because the Puuopae bridge is on the historical list of bridges if special accommodations had to be made before work on the bridge could begin to which Mr. Tabata replied, all three (3) bridges are federal funded and are the list of historical bridges and all three (3) will remain single lane bridges.</p> | |

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| | <p>Mr. Tabata stated since 2010, the roads division have always looked at the County's roadway systems from the standpoint of calling it pavement preservation, which to a normal person simply means resurfacing the roads. But contrary to that belief, the road work is much more detailed in respect to how they approach the road surfacing work because they look at it as an asset and in order to protect that asset money needs to be available for future roadwork. He referred to his handout reflecting the different preservation techniques to extend the life cycle of the roads as well as an estimated treatment cost to extend the life of the roads.</p> <p>Relative to the Commission's inquiry on how it decides what roads to work on, Mr. Tabata explained that previously to the current year, the roads division was given a flat budget of \$1.2 million dollars and what they did was match the money to the work that needed to done, however, as time passed, the \$1.2 million dollars was not enough and the roads kept on getting worse and worse. A decision was made to hold off from doing any road work until there enough money to do significant road work. In 2012, they managed to save \$5.2 million dollars and was able to do a combination of road reconstructing and road resurfacing, which yielded about 17 miles. Two years later, they managed to save \$2.4 million dollars and was able to do more road reconstruction which yielded 4 miles. Long story short, that technique did not get them anywhere and they ended up falling farther and farther behind and the complaints began to pour in. So an effort was made to push forward and support the General Excise Tax bill (hopefully it will move through legislature and pass) which would provide the roads division with the funding it needs to do work on the County's roadways.</p> <p>Mr. Renaud stated that just this past year, after looking at their budget and talking to Mr. Dill, he felt really down because through all of the research and studying he did, including working with his consultants, the money they projected was only going to get worse. So a made a decision to go entirely preventive maintenance (crack seal and seal coat) but the major roads like Olohena, Kawaihau and Kōloa would only get worse. After lengthy discussion with all of the key players on board the preventive maintenance work would evenly save the County money because when it comes time to do the overlay it would be much cheaper than doing a full depth road reconstruction. However, work on the Olohena, Kawaihau and Kōloa roads something needs to be addressed and they are working on a resolution.</p> | |

| SUBJECT | DISCUSSION | ACTION |
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| | <p>Vice Chair Rodighiero stated that the numbers doesn't line up because the way he sees it, the roads division was given \$2 million a year, but in ten years, the roads division would have \$100 million dollars' worth of road work. Mr. Tabata stated that's why they came up with a plan to spend \$10 million dollars a year of the General Excise Tax to do road maintenance construction and road reconstruction, but that can only be done if the bill passes. He added as it stands, the County needs \$10 to \$15 million dollars a year for the next 6 to 8 years to do proper reconstruction to the roads that are failing and to the fix the wear and tear of the roads that were resurfaced.</p> <p>Vice Chair Rodighiero stated the Cost Control Commission is tasked with finding ways to save money, but in this case, he doesn't see any way to save money. Mr. Tabata stated the County could save money in the long run, but it would need an influx of heavy capital. Mr. Renaud stated that the goal of the Roads Division is to get back to preventive maintenance but in order to get there it needs \$100 million.</p> <p>With no further questions from the Commissioners, Chair Whitfield thanked Mr. Tabata and Mr. Renaud for a great presentation. At 2:26 p.m. they left the meeting.</p> | |
| <p>CCC 2017-07</p> | <p><u>Briefing by Boards and Commissions Administrator Jay Furfaro on House Bill No. 1586 relating to taxation.</u></p> <p>Administrator Furfaro stated in regard to House Bill No. 1586 it would have provided an additional half percent to the County's 4% to 4.5% (approximately \$20 million), but that bill is dead. But if the bill didn't die, as a tradeoff, the State would keep the entire TAT (Transient Accommodation Tax) which currently gives the County its share of \$13.5 million dollars, but in this current legislation session, the State will be giving the County an additional \$1.4 million dollars.</p> <p>Vice Chair Rodighiero commented based on his resources he was told that House Bill 1586 was deferred. Administrator Furfaro stated that the bill he is referring to wanted to raise the GET tax, but it died. The bill that passed would give the County an additional \$1.4 million dollars bringing the County's total share of the TAT to \$14.9 million dollars, which is still significantly less than the \$20 million dollars the County of Kaua'i use to get.</p> | |

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| | With no further questions, Chair Whitfield moved to item CCC 2017-05. | |
| CCC 2017-05 | <p><u>Continued discussion on other possible areas to investigate to reduce the cost of county government while maintaining a reasonable level of public service in accordance to section 28.04 of the Kaua‘i County Charter Article XXVIII Cost Control Commission.</u></p> <p>Chair Whitfield stated other topics of interest that was brought up previously had to with the Wailua golf course and parks and recreation venues going forward.</p> <p>Administrator Furfaro suggested getting a report from Human Resources on the bargaining unit’s labor negotiations. Chair Whitfield stated that would be great but as far as he’s concern, the Commission’s hands are tied. Administrator Furfaro stated perhaps a report on how the negotiations are going to affect the County financially would be more appropriate.</p> <p>Chair Whitfield stated that would be great to which Administrator Furfaro replied, he would arrange to have the Director of Human Resources or her representative present at the Commission’s meeting in May to provide an update on how the Public Safety labor negotiations are going to effect the County financially, including a follow-up at the Commission’s June meeting on how the other union negotiations are going to financially effect the County.</p> | |
| Announcements | Chair Whitfield stated the next meeting will on Monday, May 8, 2017, at 1:30 p.m. at the Mo’ikeha Building, Meeting Room 2A/2B. | |
| Adjournment | With no further business to conduct, Chair Whitfield called for a motion to adjourn. | Ms. Nakashima moved to adjourn the meeting. Vice Chair Rodighireo seconded the motion. The motion carried 4:0. |

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| SUBJECT | DISCUSSION | ACTION |
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| | | At 2:49 p.m. the meeting adjourned. |

Submitted by: _____
Mercedes Omo, Staff Support Clerk

Reviewed and Approved by: _____
James Whitfield, Chair

(x) Approved as circulated on July 10, 2017.

() Approved as amended. See minutes of _____ meeting.